

OK-PAID UP

OIL AND GAS LEASE  
(Paid-up)

AGREEMENT, made and entered into this 24th day of January, 2018, by and between:

Judith Ann Ecker, a single woman

9112 E. Chestnut Road

Enid, OK 73701

party of the first part, hereinafter called Lessor (whether one or more), and Carrier Energy, LLC, P.O. Box 5995, Edmond, OK 73083, party of the second part, hereinafter called Lessee.

WITNESSETH, that the said Lessor, for and in consideration of Ten Dollars, cash in hand paid, and other good and valuable consideration receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said Lessee, for the sole and exclusive right to explore by geophysical and other methods, for mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipelines, and building drill sites, access roads, tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of Garfield, State of Oklahoma, described as follows, to-wit:

SW/4 SW/4

of Section 4, Township 22N, Range 5W, and containing 40.00 acres, more or less.

1. It is agreed that this lease shall remain in force for a term of Three ( 3 ) years from date (herein called primary term) and so long thereafter as oil or gas, or either of them, is produced from said land or lands pooled therewith.

2. In consideration of the premises the said Lessee covenants and agrees:

A. To deliver to the credit of Lessor free of cost, in the pipeline to which it may connect its wells, a 3/16ths part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.

B. To pay Lessor for gas (including casinghead gas) and all other substances covered hereby, a royalty of 3/16ths of the proceeds realized by Lessee from the sale thereof, less a proportionate part of the production, severance and other excise taxes and the cost incurred by Lessee in processing, gathering, treating, compressing, dehydrating, transporting, and marketing, or otherwise making such gas or other substances ready for sale or use, said payments to be made monthly. At the expiration of the primary term hereof or any time thereafter, when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, Lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the later of ninety (90) days following the date of shut in or the anniversary date of this lease during the period such well is shut in, to the Lessor. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.

3. If, at the expiration of the primary term, there is no production in paying quantities on the leased land or on lands pooled therewith but Lessee is conducting operations for drilling, completing or reworking a well, this lease nevertheless shall continue as long as such operations are prosecuted or additional operations are commenced and prosecuted (whether on the same or successive wells) with no cessation of more than ninety (90) days, and if production is discovered, this lease shall continue as long thereafter as oil or gas are produced. In addition, if at any time or times after the primary term, there is a total cessation of all production, for any cause (other than an event of force majeure), this lease shall not terminate if Lessee commences or resumes any drilling or reworking operations or production within ninety (90) days after such cessation. Drilling operations or mining operations shall be deemed to be commenced when the first material is placed on the leased premises or when the first work other than surveying or staking the location is done thereon which is necessary for such operations.

4. Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, common source of supply or formations, with any other lands as to all strata or any stratum or strata, common source of supply or formations, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 80 acres, or for the production primarily of gas with or without distillate more than 640 acres; provided that if any governmental regulation shall permit or prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, including horizontal wells, then any such unit may embrace as much additional acreage as may be so permitted or prescribed or as may be used in such allocation of allowable. Lessee shall file written unit designations in the county in which the leased premises are located unless the pooling or unitization results from governmental order or rule, in which case no such written designation shall be required. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this unit shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.

5. If said Lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided shall be paid to the Lessor only in the proportion which his interest bears to the whole and undivided fee.

6. Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operations thereon, except water from wells of Lessor.

7. Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

8. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment or a true copy thereof. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

9. ~~If at any time within the primary term of this lease or any continuation thereof, Lessor receives any bona fide offer, acceptable to Lessor, to grant an additional lease (top lease) covering all or part of the afore described lands, Lessee shall have the continuing option by meeting any such offer to acquire such top lease. Any offer must be in writing and must set forth the proposed Lessee's name, bonus consideration and royalty consideration to be paid for such lease, and include a copy of the lease form to be utilized reflecting all pertinent and relevant terms and conditions of the top lease. Lessee shall have fifteen (15) days after receipt from Lessor of a complete copy of any such offer to advise Lessor in writing of its election to enter into an oil and gas lease with Lessor on equivalent terms and conditions. If Lessee fails to notify Lessor within the aforesaid fifteen (15) day period of its election to meet any such bona fide offer, Lessor shall have the right to accept said offer. Any top lease granted by Lessor in violation of this provision shall be null and void.~~

10. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation, or operation of force majeure.

11. This lease shall be effective as to each Lessor on execution hereof as to his or her interest and shall be binding on those signing, notwithstanding some of the Lessors above named may not join in the execution hereof. The word "Lessor" as used in this lease means the party or parties who execute this lease as Lessor, although not named above.

12. Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to Lessor, or by placing a release of record in the proper County.

13. ~~Lessor hereby warrants and agrees to defend the title to the lands herein described and to indemnify Lessee of all adverse claims thereto, and all expenses incurred by Lessee in defending such claims, including reasonable attorney fees, and agrees that the Lessee shall have the right at any time to redeem for Lessor by payment any mortgages, taxes, or other liens on the above described lands, in the event of default of payment by Lessor, and be subrogated to the rights of the holder thereof.~~

14. The Lessee's failure to comply with any covenant or obligation of this lease shall not result in the forfeiture of the lease unless and until Lessor has provided Lessee notice of such default and gives Lessee sixty (60) days in which to cure such default.

15. ~~Lessee is hereby given the exclusive right and option to extend the primary term of this lease as to all or any portion of the land covered hereby for an additional two (2) years from the expiration of the original primary term. This option may be exercised by Lessee at any time during the original primary term hereof by paying the original per net mineral acre bonus to Lessor and other parties designated by Lessor. Payment shall be considered made and option exercised by mailing payment to last known address of Lessor and or assigns. If this option is exercised as to just a portion of the acreage, Lessee shall execute and place of record an instrument identifying the land as to which the option has been exercised. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of five (5) years.~~

16. It is the intent of the Lessor to lease, and Lessor does hereby grant, demise, lease and let unto Lessee, all oil, gas and other minerals owned by Lessor in **Section 4, Township 22N, Range 5W all in Garfield County, Oklahoma** whether or not properly and completely described herein. In the event it is determined that Lessor actually owns more net mineral acres than that assumed by the parties in the calculation of lease bonus and paid by Lessee, Lessor and Lessee agree that Lessee shall pay Lessor for such additional net acreage at the same bonus price per acre agreed upon for the execution of this oil and gas lease. Likewise, in the event it is determined that Lessor owns less net acres, or it is determined that Lessor's acreage is currently leased under a prior oil and gas lease, then the Lessor agrees to reimburse Lessee for the bonus per acre paid for the acreage not owned by Lessor or under the prior oil and gas lease.

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF

IN TESTIMONY WHEREOF, we sign this the 15<sup>th</sup> day of February, 20 18.

Judith Ann Ecker  
Judith Ann Ecker

STATE OF Oklahoma } (ACKNOWLEDGMENT FOR INDIVIDUAL)  
COUNTY OF Garfield } §.

The foregoing instrument was acknowledged before me this 15 day of February, 20 18, by Judith Ann Ecker

My Commission expires: 5/31/2021  
Commission Number: 95005084  
(Seal)

Nancy L. Enabitt  
Notary Public  
NANCY L. ENABITT  
Notary Public, State of Oklahoma  
Commission # 05005084  
My Commission Expires May 31, 2021

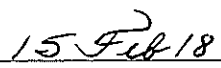
EXHIBIT "A"

*This Exhibit B is attached to and made a part of that certain Oil and Gas Lease dated the 24th day of January, 2018, by and between Judith Ann Ecker, a single woman, as Lessor, and Carrier Energy, LLC, as Lessee.*

The foregoing lease is subject to the additional terms and provisions, and the provisions contained within this Exhibit shall apply irrespective of any provisions in the printed lease to the contrary:

1. Commencement of a well according to the terms of this lease will require that a drilling rig capable of drilling to total depth be on location and actually drilling (making hole) on or before the expiration of the primary term, and that the drilling of said well be continued with due diligence until completion. Construction of a well location without actual drilling as detailed above will not be deemed commencement of a well.
2. It is understood and agreed that if this oil and gas lease is being maintained in force at the expiration of the primary term hereof, then drilling operations on or production from a drilling and spacing unit embracing only a portion of the leased premises shall maintain this lease in force only as to those portions of the leased premises included in said drilling and spacing unit. Those portions of the leased premises which are not included in said drilling and spacing unit shall be released by Lessee at that time. For purposes of this oil and gas lease, a drilling and spacing unit shall be defined as a drilling and spacing unit created by Order of the Oklahoma Corporation Commission of the State of Oklahoma or, if no drilling and spacing unit has been created by the Oklahoma Corporation Commission, a drilling and spacing unit shall be defined as a quarter section (i.e. 160 acres) for oil and a section (i.e. 640 acres) for gas.
3. Notwithstanding the provisions of Paragraph 2 of the printed lease form Lessee may not keep this lease in force by making such shut in royalty payments for any consecutive period in excess of two (2) years beyond the primary term of this lease.
4. Lessee, upon written request by Lessor, shall send to Lessor and file of record a release of this lease within six (6) months of the abandonment of the well or wells, located thereon; or within six (6) months of the expiration of this lease by its terms; if Lessee fails to release said lease as provided above then he shall be liable to the Lessor for his costs in obtaining said release, including but not limited to attorney's fees.
5. Notwithstanding anything to the contrary, at the expiration of the primary term, this lease is to expire as to all depths and common sources of supply one hundred feet (100') below the base of the stratigraphic equivalent of the deepest producing common source of supply; provided, however, if the Lessee, its successors or assigns, should be engaged in operations for drilling, deepening, sidetracking, or reworking a well or wells on the leased premises or on lands with which said lands or a portion thereof have been pooled or unitized, then this lease shall continue in effect as to all formations and depths until such operations have been completed and production has been established.
6. It is agreed between the Lessor and Lessee that all oil, gas or other proceeds accruing to the Lessor payable under this lease or by state law shall be made without deduction for the cost of producing, gathering, storing, separating, treating, dehydrating, compressing, processing, transporting, and marketing the oil, gas and other products hereunder to transform the product into marketable form; however, any such costs which result in enhancing the value of the marketable oil, gas or other products to receive a better price may be deducted from Lessor's share of production so long as they are based on Lessee's actual cost of such enhancements. However, in no event shall Lessor receive a price that is less than, or more than, the price received by Lessee.
7. The terms and conditions hereof shall be considered to be covenants running with the land covered by this lease and shall be binding upon the transferees, successors or assigns of Lessee.
8. If Lessee violates any of the provisions of this oil and gas lease and it is necessary for Lessor to institute any legal action for the purpose of causing Lessee to comply with the provisions hereof, then Lessor shall, if successful, be entitled to recover reasonable attorney fees and all reasonable costs incurred in connection with such legal action. Provided, that if Lessee shall be the prevailing party in such legal action by Lessor, then Lessee shall be entitled to recover its reasonable attorney fees and all reasonable costs incurred by Lessee in defending such legal action.
9. Notwithstanding anything to the contrary herein, it is understood and agreed that after the primary term of this lease, this lease may not be maintained in force by the terms of the force majeure provisions herein for a term in excess of two years.
10. Notwithstanding any other provisions of this oil and gas lease, this lease is a non – surface use oil and gas lease. No well shall be drilled upon the leased premises, nor shall Lessee, its successors or assigns, enter upon nor use the leased premises for conducting any surface or drilling operations. Lessee agrees that it shall not install any structure, roadway, pit, well pad or apparatus of any type on the leased premises.

  
Judith Ann Ecker

  
Date

END OF EXHIBIT "A"